

PUBLIC DISCLOSURE

January 20, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MANSFIELD CO-OPERATIVE BANK

Certificate # 26448

**80 NORTH MAIN STREET
MANSFIELD, MASSACHUSETTS 02048**

**Division of Banks
1000 Washington Street, 10th Floor
Boston, MA 02118**

<p>NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate- income neighborhoods, consistent with safe and sound operations of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) and to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Mansfield Co-operative Bank (Mansfield Bank or the Bank)**, prepared by the Division, the institution's supervisory agency as of **January 20, 2015**. The agency evaluates performance in the assessment area(s) as defined by the institution rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in the Division's regulation 209 CMR 46.00 et seq.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

The Lending Test is rated "Satisfactory."

The Community Development Test is rated "Satisfactory."

An institution in this group has an adequate record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Division bases the assigned rating on the result of two performance tests: the Lending Test and the Community Development Test. A summary of the Bank's performance is provided below:

Lending Test

The institution achieved a rating of "**Satisfactory**" under the Lending Test. This rating is supported by the following summary of results:

- The Bank's average net loan-to-deposit (LTD) ratio for the past twelve quarters of 88.1 percent is considered adequate.
- The Bank originated a majority of its home mortgage and small business loans, by number, inside the assessment area.
- The distribution of home mortgage and small business loans reflects adequate penetration of borrowers of different income levels and businesses of different sizes.
- The geographic distribution of home mortgage and small business loans reflects adequate penetrations throughout the assessment area.
- The Bank did not receive any CRA-related complaints during the evaluation period and there were no fair lending issues or concerns.

Community Development Test

The institution achieved a rating of “**Satisfactory**” under the Community Development Test.

- The Bank’s community development lending is adequate. The Bank originated seven community development loans totaling \$393,000 during the evaluation period.
- The Bank’s level of qualified investments is adequate. The Bank made 82 qualified donations during the evaluation period totaling \$129,450.
- The Bank provided an adequate level of community development services, which include senior management’s membership in community development organizations, financial literacy seminars, and other community development services such as Basic Banking in Massachusetts and Interest on Lawyer’s Trust Accounts.

SCOPE OF THE EXAMINATION

This evaluation assessed Mansfield Bank’s CRA performance utilizing the Interagency Intermediate Small Bank (ISB) examination procedures, as established by the Federal Financial Institutions Examination Council (FFIEC). These procedures require two performance tests: the Lending Test and the Community Development Test. The Lending Test analyzes an institution’s applicable home mortgage, small business, and small farm loans during a certain review period. The Community Development Test is an analysis of community development activities, including loans, investments, and services since the previous evaluation.

The Lending Test considered the Bank’s home mortgage and small business lending. The Bank’s most recent Report of Condition and Income (Call Report), dated September 30, 2014 indicated residential lending, including all loans secured by 1-4 family and multi-family residential properties, represented 50.7 percent of the loan portfolio. Commercial lending, consisting of commercial real estate and commercial and industrial loans, represented 38.6 percent of the loan portfolio. Residential lending also represented the majority of loan volume during the review period. Therefore, the Bank’s performance in home mortgage lending carried greater weight in the Lending Test. The Bank made no small farm loans; thus this product line was not analyzed.

Data reviewed includes all originated and purchased home mortgage loans reported on the Bank’s Home Mortgage Disclosure Act (HMDA) loan application registers (LARs) for 2013 and the first three quarters of 2014 (YTD 2014). The LARs contain data about home purchase and home improvement loans, including refinances of 1-4 family and multi-family properties. The Bank reported 331 loans totaling \$109.1 million in 2013 and 109 loans totaling \$46.0 million during the first three quarters of 2014. The Bank’s 2013 home mortgage lending performance was compared against 2013 aggregate lending data. Aggregate data includes the lending activity of all institutions subject to HMDA reporting within the Bank’s assessment area. The evaluation focused on lending performance in 2013, as aggregate data for 2014 was not yet available.

Small business loans were also reviewed for the same period. As an ISB, the Bank has the option of collecting and reporting small business lending data. The Bank opted to collect, but not report, the data. The Bank’s internal records indicated the institution originated 18 small business loans totaling \$5.8 million in 2013, and four small business loans totaling \$1.2 million during the first three quarters of 2014. As the Bank is not required to report small business loan data, small business aggregate data was not used for formal comparison purposes. Instead, the Bank’s performance was compared to applicable businesses demographic data.

While the Lending Test discusses the total dollar amounts of loans, conclusions are primarily based on the Bank's lending performance by the number of loans originated or purchased. The number of loans correlates more closely with the number of individuals or businesses that obtained loans. Demographic information referenced in this evaluation was obtained from the 2010 United States (U.S.) Census, unless otherwise noted. Financial data was generally obtained from the September 30, 2014 Call Report.

The Community Development Test considered the number and dollar amount of community development loans, qualified investments, and community development services between December 15, 2011 and January 20, 2015.

PERFORMANCE CONTEXT

Description of Institution

Mansfield Bank is a state-chartered bank headquartered in Mansfield, Massachusetts. In addition to the main office in at 80 North Main Street in Mansfield, the Bank has a full-service branch in Norton, Plainville, Easton, and West Bridgewater. All branches are located in middle-income census tracts. The Bank also has a loan production office in Boston, located in an upper-income census tract.

The Bank offers personal and business services and loans. Personal services include checking and savings accounts, CDs and IRAs, online banking, wire transfers, and safety deposit boxes. Business services include business checking accounts, money market accounts, online banking, remote deposit capture, and credit card services. Personal loans include fixed-rate, adjustable-rate, construction, and first-time homebuyer mortgages and home equity lines of credit. Business loans include lines of credit, term loans, SBA loans, commercial real estate loans, and revolving construction lines of credit.

The Bank maintains a website at www.mansfieldbankonline.com. The website includes information about products and services, branch locations and hours, mortgage rates, deposit and CD rates, online banking services, and online mortgage applications. Online banking services include bill payment, e-statements, and check orders.

As of September 30, 2014, the Bank's assets totaled \$440.9 million and loans totaled \$357.8 million, or 81.1 percent of total assets. Since the previous examination, the Bank's assets have increased 24.8 percent, which is can be attributed to a \$115.6 million increase in net loans.

The Bank is primarily a real estate lender. One-to-four family residential loans and commercial real estate loans comprise of the largest portions of the portfolio at 38.4 percent and 36.8 percent, respectively. One-to-four residential loans include closed-end mortgage loans (including junior liens), as well as revolving home equity lines of credit. Multifamily residential loans account for the next largest portion at 12.3 percent.

Table 1 illustrates the current distribution of the Bank's loan portfolio.

Table 1 - Loan Distribution as of September 30, 2014		
Loan Type	Dollar Amount (\$'000s)	Percent of Total Loans
Construction & Land Development	37,893	10.6
Commercial Real Estate	131,672	36.8
Multifamily (5 or more)	44,056	12.3
1-4 Family Residential	137,359	38.4
Total Real Estate Loans	350,980	98.1
Commercial and Industrial	6,556	1.8
Loans to individuals	260	0.1
Total Loans	357,796	100.0

Source: September 30, 2014 Call Report

The Division and the Federal Deposit Insurance Corporation (FDIC) conducted the prior CRA evaluation as of December 14, 2011, using ISB procedures. The evaluation resulted in an overall "Satisfactory" by both agencies. This evaluation was conducted concurrently with the Federal Reserve Bank of Boston.

No financial or legal impediments exist that would limit or impede the Bank's ability to meet the credit needs of the delineated assessment area.

Description of Assessment Area

The CRA requires the designation of one or more assessment areas within which a financial institution's record of helping to meet the credit needs of its community will be evaluated. The Bank designated one assessment area, which conforms to CRA requirements since it consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and does not reflect illegal discrimination.

Geographies

The Bank's assessment area includes the following Massachusetts municipalities: Attleboro, Easton, Foxboro, Mansfield, North Attleboro, Norton, Plainville, Taunton, and West Bridgewater. Foxboro and Plainville are located in the Boston, MA MD (#14454) and are part of Norfolk County. West Bridgewater is also part of the Boston, MA MD and is located in Plymouth County. The remaining towns in the assessment area are in the Providence-Warwick, RI-MA MSA (#39300) and are located in Bristol County. Note that Foxboro and Taunton were not included in the institution's assessment area in the prior CRA evaluation; both were added in November 2013.

The analysis for the Geographic Distribution section of the Lending Test is based on the distribution of loans by income level of census tract, with emphasis on those designated low- and moderate-income. Each census tract is assigned an income level based on the median family income (MFI) of the tract as compared to the MFI established for the MSA or MD in which the tract is located. Definitions of the four income levels follow:

Low-Income: Less than 50 percent of MFI

Moderate-Income: At least 50 percent but less than 80 percent of MFI

Middle-Income: At Least 80 percent but less than 120 percent of MFI

Upper-Income: 120 percent or greater of MFI

Demographic information regarding the assessment area is provided in Table 2.

Table 2 - Assessment Area Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A % of #
Geographies (Census Tracts)	43	4.7	9.3	39.5	46.5	0.0
Population by Geography	225,551	4.0	6.7	36.5	52.8	0.0
Owner-Occupied Housing by Geography	60,629	1.8	4.5	38.1	55.6	0.0
Family Households by Income Level	58,469	15.2	14.5	19.8	50.5	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	17,362	7.2	11.5	42.5	38.8	0.0
Median Family Income	\$89,232		Median Housing Value		\$340,708	
Families Below Poverty Level	4.8%		Unemployment Rate (2010)		7.5%	
Households Below Poverty Level	7.3%		*Unemployment Rate (2014)		5.0%	

Sources: 2010 U.S. Census data & 2014 Bureau of Labor Statistics

* Average non-seasonally adjustment unemployment rate for all towns and cities in the assessment area

Census Tract Income Levels

Of the 43 census tracts in the assessment area, 4.7 percent are low-income, 9.3 percent are moderate-income, 39.5 percent are middle-income, and 46.5 percent are upper-income. The two low-income tracts are located in the Taunton, which also contains two moderate-income tracts. The other two moderate-income tracts are located in Attleboro. The Bank's previous assessment area did not contain any low- or moderate-income tracts, but changes in income-levels in Attleboro from the 2000 U.S. Census to the 2010 U.S. Census and the addition of Taunton to the assessment area has changed the census tract composition of the assessment area.

Median Family Income Levels

The analysis under the "Borrower Characteristics" section of the Lending Test is based on the distribution of home mortgage loans to borrowers of different incomes, using the same four income levels defined in the previous section. The analysis utilizes income data from the 2010 U.S. Census annually adjusted by FFIEC for inflation and other economic events. The estimated median family incomes for the analysis are as follows:

Table 3 – Median Family Income Level by MSA/MD		
Year	MSA/MD	Median Family Income
2013	Boston-Quincy, MA	\$88,000
	Providence-New Bedford-Fall River, RI-MA	\$71,100
2014	Boston, MA	\$87,200
	Providence-Warwick, RI-MA	\$72,200

Source: FFIEC

The analysis of the Bank's home mortgage lending also includes comparisons to the distribution of assessment area families by income level. Table 2 reveals there is a much higher representation of upper-income families compared to other income categories, at 50.5 percent. Middle-income families have the next highest representation at 19.8 percent and the percentage of families below the poverty level is 7.3 percent.

Housing Characteristics

Among other statistics, Table 2 also illustrates the distribution of owner-occupied housing units by census tract income level. The table shows approximately 93.7 percent of all owner-occupied housing units in the assessment area are located in middle- and upper-income census tracts; however, only 1.8 percent of total owner-occupied units are in the low-income tracts. This greatly limits opportunities to make home mortgage loans in low-income census tracts.

The median housing value in the assessment area was obtained from *The Warren Group*. The average median housing sales price as of November 2014 of the assessment area was \$280,708. The town with the highest median sales price was Foxboro at \$365,000 and the lowest was Attleboro at \$218,375. According to the 2010 U.S. Census, the median housing value for the assessment area was \$340,708. The relatively high median sales price for homes within the assessment area suggests that opportunities to make home mortgage loans to low- and moderate-income borrowers may be limited.

Unemployment Data

According to the 2010 U.S. Census, the unemployment rate for the assessment area was 7.5 percent. More recent unemployment rates were obtained from the Bureau of Labor Statistics. The average unemployment rate for the towns and cities in the assessment area as of October 2014 was 5.0 percent. The highest unemployment rate was in Attleboro at 6.0 percent and the

lowest was 4.3 percent in Foxboro. The unemployment rates were 6.4 percent, 4.5 percent, and 5.1 percent in Bristol, Norfolk, and Plymouth Counties, respectively.

Business Demographic Data

According to Dun & Bradstreet (D&B) data, there were 17,804 non-farm businesses in the assessment area in 2013. Of total non-farm businesses 4.7 percent were in low-income tracts, 5.2 percent were in moderate-income tracts, 40.6 percent were in middle-income tracts, and 49.5 percent were in upper-income tracts. In terms of revenues, 71.8 percent of businesses had gross annual revenues (GARs) of \$1.0 million or less; 5.6 percent had GARs greater than \$1.0 million; and 22.6 percent did not report GAR information.

In 2014, there were 16,006 non-farm businesses in the assessment area. Of total non-farm businesses, 4.6 percent were in low-income tracts, 5.3 percent were in moderate-income tracts, 40.5 percent were in middle-income tracts, and 46.6 percent were in upper-income tracts. In terms of revenues, 71.1 percent of businesses had GARs of \$1.0 million or less; 6.1 percent had GARs greater than \$1.0 million; and 22.8 percent did not report GAR information.

The number of non-farm businesses in the assessment area decreased by 10.1 percent from 2013 to 2014. Although the number of non-farm businesses decreased, the percentage of small businesses with GARs of less than \$1.0 million remained consistent.

Competition

Mansfield Bank operates in a highly competitive lending environment. The Bank faces competition from large national and regional banks, mortgage companies, community banks, and credit unions. Residential lending market share reports for 2013 indicate that 336 lenders reported 10,489 originations or purchases totaling approximately \$2.5 billion in the assessment area. The top ten home mortgage originations consisted of large national banks, regional mortgage companies, a community bank, and a credit union. Mansfield Bank was ranked 14th in the assessment area capturing a 1.9 percent market share. Competitors operating within the Bank's assessment area include Wells Fargo Bank N.A., JP Morgan Chase Bank N.A., Bank of America N.A., Quicken Loans, Mortgage Master, Santander Bank N.A., HarborOne Bank, Sharon Credit Union, and RBS Citizens N.A.

Community Contact

As part of the CRA evaluation process, third parties who are active in community affairs are contacted to assist in assessing the credit and community development needs of the Bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and what further opportunities, if any, are available.

Examiners contacted a representative of an organization involved in project planning for the Town of Mansfield. The organization is involved in granting permits for commercial and residential development as well as monitoring the economic well being of the town. The contact indicated they would like to see more local financial institutions assist the community in obtaining financing for affordable housing. They also suggested an increase in first time homebuyer seminars and financial literacy courses would be beneficial.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

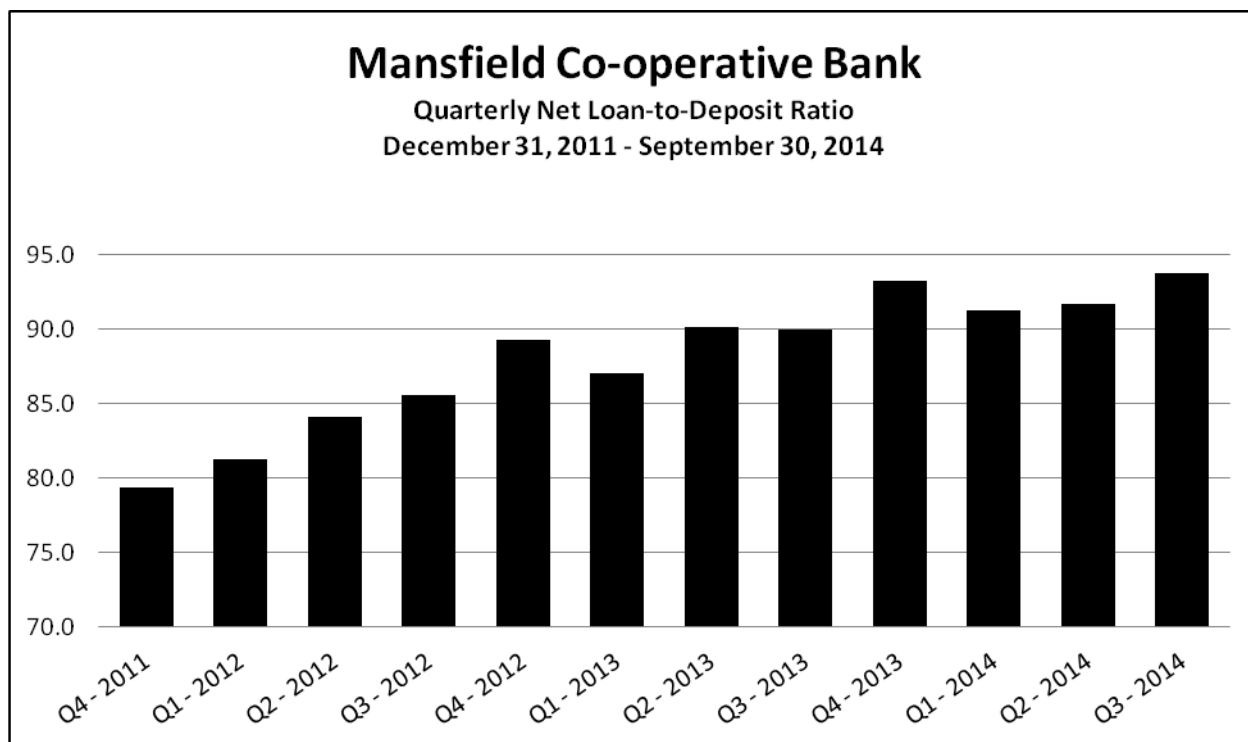
LENDING TEST

The Lending Test considers the institution's performance pursuant to the following criteria: LTD Ratio, Assessment Area Concentration, Borrower Characteristics, Geographic Distribution, and Response to CRA Complaints. Overall, the Bank's performance under the Lending Test is "Satisfactory." This rating indicates the Bank's lending performance demonstrates an adequate responsiveness to the credit needs of the assessment area.

Loan-to-Deposit Ratio

This performance criterion determines the percentage of the Bank's deposit base reinvested in the form of loans. The Bank's average LTD ratio is considered reasonable given the institution's size, financial condition, and assessment area credit needs. The Bank's average quarterly net LTD ratio was 88.1 percent and was calculated by averaging the previous twelve quarterly net LTD ratios between December 31, 2011 and September 30, 2014. The Bank's LTD ratio as of September 30, 2014 was 93.7 percent.

As shown in the graph below, the LTD ratio reached a high of 93.7 percent in September 2014 and a low of 79.4 percent in December 2011.



Source: Call Reports from December 31, 2011 through September 30, 2014

The Bank's average net LTD ratio was compared to the average net LTD ratios of three other locally-based, similarly situated depository institutions. The Bank was within the range of LTD ratios of 67.6 percent to 112.4 percent. Table 4 illustrates the total asset levels and the average net LTD ratios of similarly situated financial institutions.

Table 4 – Loan-to-Deposit Comparison		
Bank Name	Total Assets \$(‘000) as of 9/30/14	Average Net LTD Ratio
Walpole Co-operative Bank	404,272	112.4
Mansfield Bank	440,902	88.1
Bridgewater Savings Bank	483,418	77.7
North Easton Savings Bank	489,410	67.6

Source: December 31, 2011 through September 30, 2014 Call Reports

Additionally, the Bank sells loans in the secondary market. During the evaluation period, the Bank sold 268 loans totaling \$55.2 million. This, in addition to the Bank’s LTD ratio, demonstrates its willingness to reinvest in the community through its lending services.

Assessment Area Concentration

This performance criterion evaluates whether the Bank is meeting the credit needs within its assessment area, and includes both residential and small business lending. As stated previously, more weight was placed on residential lending performance based on the composition of the Bank’s loan portfolio and the volume of loans generated within each product line. Table 5 illustrates the Bank’s originations of home mortgage and small business loans inside and outside the assessment area during the evaluation period.

Table 5 – Distribution of Loans Inside and Outside of Assessment Area										
Loan Category or Type	Number of Loans					Dollar Volume				
	Inside		Outside		Total	Inside		Outside		Total \$(‘000)
	#	%	#	%		\$(‘000)	%	\$(‘000)	%	
Home Mortgage Loans										
2013	200	60.4	131	59.6	331	44,355	40.7	64,725	59.3	109,080
YTD 2014	58	53.2	51	46.8	109	12,823	27.8	33,223	72.2	46,046
Total Home Mortgage Loans	258	58.6	182	41.4	440	57,178	36.9	97,951	63.1	155,129
Small Business Loans										
2013	9	50.0	9	50.0	18	1,570	26.9	4,260	73.1	5,830
YTD 2014	4	100.0	0	0.0	4	1,170	100.0	0	0.0	1,170
Total Small Business	13	59.1	9	40.9	22	2,740	39.1	4,260	60.9	7,000

Sources: 2013 and YTD 2014 HMDA LARs and Bank Small Business Records

Overall, the Bank originated the majority of home mortgage and small business loans, by number, inside the assessment area. The majority of home mortgage and small business loans, by number, were originated inside the assessment area. The following sections detail the Bank’s performance by loan type.

Home Mortgage Lending

In 2013, the Bank originated 60.4 percent of home mortgage loans by number and 40.7 percent by dollar volume inside the assessment area. Through YTD 2014, the Bank’s percentage of loans by number inside the assessment area decreased to 53.2 percent and to 27.8 percent by dollar volume. The Bank originated 58.6 percent of home mortgage loans inside the assessment area during the evaluation period.

Small Business Lending

In 2013, of the 18 small business loans originated, 50 percent were originated inside the assessment area by number and 26.9 percent by dollar volume. In YTD 2014, all four small business loans originated were inside the assessment area.

Geographic Distribution

The geographic distribution of loans determines the dispersion of the Bank's loans throughout the assessment area. This performance criterion particularly focuses on the distribution of lending in the area's low- and moderate-income census tracts.

Considering assessment area demographics, aggregate data, and performance context factors, the distribution of home mortgage and small business loans reflects adequate dispersion throughout the assessment area.

Home Mortgage Lending

The distribution of the Bank's home mortgage loans reflects adequate dispersion throughout the assessment area. Table 6 presents the Bank's home mortgage lending performance by number of loans in 2013 and YTD 2014, as well as the 2013 aggregate market data. Table 6 also includes the percentage of owner-occupied housing units for each census tract income level for comparison purposes.

Table 6 – Distribution of Home Mortgage Loans by Census Tract Income Level						
Census Tract Income Level	% of Total Owner-Occupied Housing Units	2013 Aggregate Lending Data (% of #)	2013 Bank		YTD 2014 Bank	
			#	%	#	%
Low	1.8	1.5	0	0.0	0	0.0
Moderate	4.5	4.0	2	1.0	0	0.0
Middle	38.1	36.4	66	33.0	27	46.6
Upper	55.6	58.1	132	66.0	31	53.4
N/A	0.0	0.0	0	0.0	0	0.0
Total	100.0	100.0	200	100.0	58	100.0

Sources: 2010 U.S. Census Data; 2013 and YTD 2014 HMDA Data

In 2013, the Bank did not originate any home mortgage loans in low-income tracts in the assessment area, while the aggregate originated 1.5 percent in low-income tracts. The Bank originated two home mortgage loans in moderate-income tracts within the assessment area and the aggregate originated 4.0 percent of home mortgage loans within the assessment area. As previously noted, the inclusion of Taunton to the assessment area in November 2013 added two low- and two moderate-income census tracts. Given the late addition of low- and moderate-income tracts in the assessment area in 2013, performance is mitigated by the short period of time for which these tracts were within the Bank's assessment area.

The percentage of owner-occupied housing units within low- and moderate-income census tracts within the assessment area is 1.8 percent and 4.5 percent respectively. A low percentage of owner-occupied housing units suggests a limited opportunity for home mortgage loans. Additionally, the

Bank does not have branches in Taunton or Attleboro, which are the only two towns within the assessment area that contain low- and moderate-income census tracts.

Small Business Lending

The geographic distribution of the Bank's small business loans reflects adequate dispersion throughout the assessment area. Table 7 illustrates the Bank's small business lending activity in 2013 and YTD 2014, as well as the composition of businesses by census tract income level.

Table 7 – Distribution of Small Business Loans by Census Tract Income Level						
Census Tract Income Level	2013 % of Total Businesses	2013 Bank		2014 % of Total Businesses	YTD 2014 Bank	
		#	%		#	%
Low	4.7	1	11.1	4.6	0	0.0
Moderate	5.2	0	0.0	5.3	0	0.0
Middle	40.6	6	66.7	40.5	3	75.0
Upper	49.5	2	22.2	49.6	1	25.0
Total	100.0	9	100.0	100.0	4	100.0

Sources: 2013 and YTD 2014 D&B Business Data; 2013 and YTD 2014 Bank Small Business Loan Records

In 2013, the Bank originated one small business loan in a low-income tract, representing 11.1 percent of small business originations within the assessment area. The Bank did not originate any small business loans in moderate-income census tracts in the assessment area. During the YTD 2014, the Bank did not originate any small business loans in low- or moderate-tracts within the assessment area. Although the Bank's origination percentage to businesses located in low-income tracts is higher than the percentage of businesses located in low-income tracts within the assessment area, the small number of loans included in the analysis could skew origination percentages.

Borrower Characteristics

This performance criterion evaluates the distribution of the Bank's residential and small business loans based on borrower characteristics. The Division conducted an analysis of the Bank's residential mortgage loans inside the assessment area based on borrower income and the Bank's small business loans inside the assessment area based on business revenues. For residential lending, emphasis is placed on loans to low- and moderate-income borrowers, and for small business lending, emphasis is placed on loans to businesses with gross annual revenues (GARs) of \$1 million or less.

The distribution of borrowers, given the demographics of the assessment area, reflects an adequate penetration of loans to individuals of different income levels (including low- and moderate-income) and businesses of different revenue sizes. The following sections discuss the Bank's performance by loan type.

Home Mortgage Lending

The Bank's home mortgage lending performance is adequate. Borrower incomes for loans reported in 2013 were compared to the Providence-Fall River-New Bedford, RI-MA MSA (#39300) MFI and the Boston-Quincy, MA MD (#14484). Borrower incomes for loans reported in YTD 2014 were compared to the Providence-Warwick, RI-MA MSA (#39300) and the Boston, MA MD (#14454). The table below shows the Bank's loans by borrower income level

in 2013 and YTD 2014 and includes the distribution of families by income level (based on 2010 U.S. Census data) and aggregate market data for 2013.

Table 8 – Distribution of Home Mortgage Loans by Borrower Income Level						
Income Level	% of Total Families	2013 Aggregate Lending Data (% of #)	2013 Bank		YTD 2014 Bank	
			#	%	#	%
Low	15.2	3.7	8	4.0	2	3.7
Moderate	14.5	14.9	20	10.0	9	16.7
Middle	19.8	26.7	42	21.0	10	18.5
Upper	50.5	54.7	125	62.5	33	61.1
Total	100.0	100.0	*195	100.0	*54	100.0

*Sources: 2010 U.S. Census Data; 2013 and YTD 2014 HMDA Data; *Does not include borrowers with NA incomes*

In 2013, the Bank originated 4.0 percent of its home mortgage loans to low-income borrowers, higher than the aggregate lending percentage to the same group. For the same year, the Bank originated 10.0 percent to moderate-income borrowers, which is lower than the aggregate. According to 2013 aggregate market share reports, the Bank ranked 9th out of 87 lenders in the assessment area for originating or purchase home mortgage loans to low-income borrowers and ranked 18th of 172 lenders for moderate-income borrowers.

During YTD 2014, the Bank originated 3.7 percent of home mortgage loans to low-income borrowers, which is 11.5 percent lower than the percentage of low-income families in the assessment area, and a slight decrease from 2013. During the same period, the Bank originated 16.7 percent of home mortgage loans to moderate-income borrowers, which is slightly higher than the percentage of moderate-income families and an increase from 2013.

Small Business Lending

The distribution of the Bank's small business loans by GAR level is reasonable. Table 9 illustrates Mansfield Bank's small business loans, as well as business composition in the assessment area by GAR.

Table 9 – Distribution of Small Business Loans by Gross Annual Revenues (GAR)						
GAR \$(‘000)	2013 % of Total Businesses	2013 Bank		2014 % of Total Businesses	YTD 2014 Bank	
		#	%		#	%
≤ \$1,000	71.8	7	77.8	71.1	3	75.0
> \$1,000	5.6	2	22.2	6.1	1	25.0
Not Reported	22.6	0	0.0	22.8	0	0.0
Total	100.0	9	100.0	100.0	4	100.0

Sources: 2013 and YTD 2014 D&B Business Data; 2013 and YTD 2014 Bank Small Business Loan Records

In 2013, the Bank originated 7 small business loans, or 77.8 percent, to businesses with GARs of \$1 million or less within the assessment area. Businesses with GARs of \$1 million or less represent 71.8 percent of all businesses within the assessment area. During the first three quarters of 2014, the Bank originated 75.0 percent of small business loans to businesses with GARs of \$1 million or less, which is slightly higher than the percentage of businesses of the same revenue category, at 71.1 percent.

Response to CRA Complaints/Fair Lending Policies and Practices

Mansfield Bank did not receive any CRA-related complaints during the evaluation period. The Bank maintains reasonable procedures to handle complaints, including those related to its CRA performance.

The Division provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106.

The Bank's fair lending policy incorporates various aspects of fair lending into its credit operations. The Bank has a second review process for denied loans conducted by a senior-level manager in each department. Eligible denied loans are referred to the Mortgage Review or the Small Business Review Boards.

All employees and the Board of Directors receive fair lending training annually. Any exceptions to the Bank's fair lending policy are brought to the attention of senior management and the Board's audit committee. The Bank underwrites all residential mortgage loans in accordance with secondary market guidelines.

The review of the Bank's public comment file and its performance related to lending policies and practices did not reveal any violations of anti-discrimination laws and regulations.

MINORITY APPLICATION FLOW

According to the 2010 U.S. Census, the assessment area had a total population of 225,551, of which 11.8 percent were minorities. The assessment area's minority population is 3.8 percent Hispanic or Latino; 2.8 percent Black/African American; 2.7 percent Asian; 2.3 percent "other"; and 0.2 percent American Indian.

The Bank's residential lending in 2013 was compared with 2013 aggregate lending performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to the following table for information on the Bank's minority application flow as well as a comparison to aggregate lending data within the Bank's assessment area.

In 2013, the Bank received 232 HMDA reportable loan applications within the assessment area. Of the nine applications received from minority applicants, 55.5 percent resulted in originations, which is lower than the aggregate origination percent at 66.8 percent.

Table 10- Minority Application Flow					
RACE	2013 Bank		2013 Aggregate Data	YTD 2014 Bank	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	6	2.6	2.3	2	2.9
Black/ African American	0	0.0	2.0	1	1.4
Hawaiian/Pacific Islander	0	0.0	0.1	1	1.4
2 or more Minority	0	0.0	0.0	0	0.0
Joint Race (White/Minority)	2	0.9	0.8	0	0.0
Total Minority	8	3.5	5.4	4	5.7
White	210	90.5	73.9	57	81.4
Race Not Available	14	6.0	20.7	9	12.9
Total	232	100.0	100.0	70	100.0
ETHNICITY					
Hispanic or Latino	0	0.0	1.2	1	1.4
Not Hispanic or Latino	216	93.1	77.4	60	85.7
Joint (Hisp/Lat /Not Hisp/Lat)	1	0.4	0.7	0	0.0
Ethnicity Not Available	15	6.5	20.7	9	12.9
Total	232	100.0	100.0	70	100.0

Sources: 2013 & 2014 HMDA LAR and 2013 Aggregate Lending Data

The Bank's performance in 2013 is lower than the aggregate's level of racial and ethnic minority applications. However, given the Bank's overall performance and the increasing trend of applications to minorities, the Bank's minority application flow is adequate.

COMMUNITY DEVELOPMENT TEST

Community development activities considered for the Community Development Test generally include loans, investments, and services that have one or more of the following as their primary purpose:

- (1) Affordable housing (including multi-family rental housing) for low- or moderate-income individuals;
- (2) Community services targeted to low-or moderate-income individuals;
- (3) Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company Programs or have gross annual revenues of \$1 million or less;
- (4) Activities that revitalize or stabilize low-or moderate-income geographies; or
- (5) Loans, investments, and services that support, enable, or facilitate Neighborhood Stabilization Program (NSP) eligible activities in designated target areas.

Overall, Mansfield Bank's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities in the institution's assessment area. The institution assesses the community development opportunities through its involvement in local organizations.

Community Development Loans

A community development loan is defined as a loan that: (1) has community development as its primary purpose; (2) has not already been reported by the Bank for consideration under small business or home mortgage lending (unless it is a multi-family dwelling loan); and (3) benefits the Bank's assessment area or a broader statewide or regional area that includes the Bank's assessment area.

The table below summarizes the number and dollar volume of the Bank's qualified community development loans during the evaluation period. In total, the Bank originated seven community development loans totaling \$393,000.

Table 11 - Community Development Loans								
Community Development Category	2012		2013		2014		through 1/20/2015	
	#	\$	#	\$	#	\$	#	\$
Affordable Housing	0	0	1	247,500	0	0	0	0
CD Services	6	145,500	0	0	0	0	0	0
Total	6	145,500	1	247,500	0	0	0	0

Source: Internal Bank Records

The following community development loans originated by the Bank during the evaluation period:

In 2012, the Bank originated six commercial loans totaling \$145,500 to a social service agency, which provides human services to developmental disabled individuals and their families. Services include early intervention, foster care, family support centers, transitional job support, and residential services. Over 70 percent of individuals and families receiving services are low- or moderate-income. All loans were used to purchase motor vehicles to help carry out organizational services.

In 2013, the Bank originated one loan for \$247,500 for the purchase of an eight-unit apartment building in Taunton. The rent for each unit is below the HUD fair market rent for the City of Taunton. According to the 2010 U.S. Census, of all towns and cities in the assessment area, Taunton has the highest percentage of households below the poverty level at 13 percent, and the highest percentage of rental units at 38 percent, which infers an increased need for affordable housing units.

Qualified Community Development Investments

A qualified investment for the purposes of this evaluation is a lawful investment, deposit, membership share, or grant that has community development as its primary purpose. The evaluation considered (1) investment and grant activity, (2) the responsiveness to credit and community development needs, and (3) community development initiatives.

The Bank makes qualified community development investments, in the form of donations, through the Mansfield Bank Charitable Foundation and through its branch network. Donations made through the charitable foundation seek to enhance the quality of life for individuals supported by organizations located in the communities served by the Bank, with a particular focus on the areas of health and human service programs, youth and education initiatives,

economic development and community partnership programs, and arts and culture. Donations made through the Bank's branch network are made to local organizations within the vicinity of the branches.

During the evaluation period, Bank donations totaled \$337,184, of which \$129,450, or 38.4 percent, was qualified. Of the qualified donations, approximately 90.3 percent were made through the Bank's charitable foundation. Qualified donations and grants provided by the Bank during the evaluation period supported initiatives for low- and moderate-income individuals and families with a particular focus on food pantries, financial literacy, domestic violence, and youth programs.

A breakdown by year and community development purpose is illustrated in the table below.

Table 12 - Community Development Grants and Donations by Category								
Category	2012		2013		2014		Through 1/20/2015	
	#	\$	#	\$	#	\$	#	\$
Affordable Housing	4	9,500	2	3,500	0	0	0	0
Community Services	22	31,450	25	38,150	29	46,850	0	0
Total	26	40,950	27	41,650	29	46,850	0	0

Source: Internal Bank Records

The following is a sample of organizations that received qualified contributions from the Bank:

New Hope Incorporated: This organization's mission is to address and end both domestic and sexual violence. Services include crisis intervention, violence prevention, life transition, and self-sufficiency opportunities. The organization has offices in Attleboro and Taunton, moderate and low-income tracts, respectively.

St. Vincent de Paul Society/Norton Energy Fund: The mission of the Norton Energy Fund is to raise money for Norton residents who are struggling financially to afford home heating costs. The St. Vincent de Paul Society performs the fund administration and coordinates directly with the utility company on behalf of the residents.

West Side Benevolent Circle: The mission of this organization is to provide charitable assistance and support to the residents of Mansfield who lack financial resources or are otherwise facing challenging life circumstances. Services include assistance with fuel costs, rental and mortgage expenses, and food assistance.

Old Colony Habitat for Humanity: This organization's mission is to provide decent, affordable housing in partnership with families in need. It seeks to restore a sense of community with the common goal of strong neighborhoods and dignity through home ownership. The service area of this organization includes the towns of Attleboro, Foxboro, Mansfield, North Attleboro, Norton, and Plainville.

HESSCO Elder Services: This organization's goal is to make it easier for older individuals and their families to access a comprehensive system of health and supportive services. By contracting with service providers, caterers, and transportation companies, the organization allows them to help frail and low-income seniors stay living in their homes and communities. The service area of this organization includes Foxboro and Plainville.

Community Development Services

A community development service has community development as its primary purpose and is generally related to the provision of financial services. The Bank provided community development services to local organizations through the provision of technical and financial expertise.

Involvement in Community Development Organizations

The following are examples of how the Bank's participation with various organizations has benefited the assessment area.

Old Colony Habitat for Humanity: This organization is dedicated to providing decent, affordable housing in partnership with families in need by acquiring land and/or buildings from local communities, banks, and individual donors. Volunteers and partner families work on all aspects of the construction. The Bank's compliance officer is a Board and Committee member.

Pro-Home, Inc.: The purpose of this non-profit corporation is exclusively for education and charitable purposes. It aims to produce and advocate for the production of affordable housing; to prevent loss of, or displacement from existing housing; and to eliminate discrimination in housing. Pro-home also offers programs, workshops, and seminars ranging from financial literacy programs, first-time homebuyer counseling, foreclosure counseling, and downpayment programs. The Bank's compliance officer is a member of the Board.

Southeastern Economic Development Corporation ("SEED"): This non-profit organization was established in 1982 to improve the economy of the region by helping small businesses get started, grow, and create jobs. The organization assists and supports small businesses during their start-up phase to help secure traditional financing, and promotes the expansion of existing businesses by working with lending institutions and the SBA to provide financing. A Vice President of Commercial Lending is a member of the Micro-Loan Committee and another Vice President of Commercial Lending is a board member.

Attleboro Area Council for Children: This is a volunteer organization dedicated to providing year-round programs and educational support to enrich the lives of children in need. The Bank's Vice President Mortgage Originator is a member of the Board.

Our Daily Bread: This organization is a food pantry that offers non-perishable grocery items to any Mansfield resident in need. The First Senior Vice President/Senior Lender of the Bank is a board member.

Educational Seminars

Bank officers and employees participated in numerous seminars and other events sponsored by the Bank during the evaluation period. These events provided opportunities for Bank representatives to inform those in attendance about the products and services offered by the Bank and to educate the community about basic banking skills and potential financial obstacles they may face. The following section discusses the educational seminars offered by the Bank during the evaluation period.

The Bank participated in twelve FDIC Money Smart seminars. The program is a comprehensive financial educational curriculum designed to help low- and moderate-income individuals outside the financial mainstream enhance their financial skills and create positive banking relationships. Topics include saving, budgeting, banking services, credit, choosing a checking account, and how to make a credit card work for you.

The Bank was involved in eight Credit for Life fairs during the evaluation period. “Credit for Life” is a financial education opportunity for high school students to learn the basics of personal finance. Students participate in an interactive fair where they are given a “salary” and must visit vendors to decide what lifestyle choices their budget allows.

The Bank participated in four Junior Achievement sessions at an elementary school in Attleboro. Junior Achievement is a nationwide program aimed at fostering work-readiness, entrepreneurship, and financial literacy. The Bank participated in four sessions covering topics such as money, jobs, community, government, taxes, and decision-making.

The Bank participated in two business-financing seminars with SEED. Topics included how to secure financing and the criteria financial institutions use in a credit decision, how to acquire a business, and how to grow a business.

In 2012, the Bank held a seminar on homeownership, credit counseling, and lending education. Topics included real estate appraisal evaluations, real estate legal advice, one-on-one sessions with a certified credit counselor, a review of the mortgage application process, and advice on mortgage refinancing and purchases.

In 2013, the Bank participated in a first time homebuyer seminar with Pro-Home, Inc. Fifty low- and moderate-income individuals attended the seminar held in Norton. Topics included real estate legal and mortgage guidance, home inspection advice, and low-to-moderate grant programs.

The Bank also participated in events such as the Reality Check program at North Attleboro High School, the Mansfield High School Next Step Program, a college planning seminar, an internet fraud seminar, and an elderly exploitation seminar. All programs were geared toward educating students and individuals within the assessment area about financial education, planning, and protection.

Other Community Development Related Services

Basic Banking in Massachusetts – The Bank’s checking accounts meet the guidelines for the Massachusetts Community and Banking Council’s (MCBC) Basic Banking in Massachusetts program, designed to offer low cost checking and savings accounts that help enable low- and moderate-income individuals to obtain basic banking services.

Interest on Lawyer’s Trust Account (“IOLTA”) – Interest earned on these accounts helps fund improvements in the administration of justice and delivery of legal services to low-income clients. During the evaluation period, the interest earned on these accounts totaled \$2,490.

First Time Home Buyer’s Program – The Bank offers a First Time Home Buyer Program that includes discounted mortgage insurance and a reduced down payment. The Bank maintains servicing on all loans originated. Since 2012, the Bank originated 19 loans under this program

within the assessment area, of which one property was located in a low-income census tract and seven were located in moderate-income census tracts.

Retail Banking Services

Mansfield Bank operates five full-service banking offices in Massachusetts. Offices are located in Mansfield, Norton, Plainville, West Bridgewater, and Easton. The Bank did not open or close any branches during the evaluation period. The towns where branches are located do not contain low- or moderate-income census tracts.

Refer to the table below for information concerning the geographic distribution of branches and ATMs by census tract income level in comparison with the percentage of the population residing in the tracts and the percent of tracts in the assessment area.

Table 13 - Distribution of Branch Offices by Income Category				
Census Tract Income Category	Assessment Area Demographics		Bank Offices and ATMs by Census Tract Location	
	Total Census Tracts % of #	Total Population % of #	Branches % of #	ATMs % of #
Low	4.7	4.0	0.0	0.0
Moderate	9.3	6.7	0.0	0.0
Middle	39.5	36.5	100.0	100.0
Upper	46.5	52.8	0.0	0.0
Total	100.0	100.0	100.0	100.0

Sources: Internal Bank Records and the 2010 U.S. Census

As illustrated in the table above, all of the Bank's full service branches and ATMs are located in middle-income census tracts. All ATMs are located in middle-income tracts as each branch has one ATM. Although the Bank does not have branches or ATMs located in the low- and moderate-income tracts within the assessment area, the Bank's Norton branch is reasonably accessible to these areas via Routes 123 and 140.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 80 North Main Street Mansfield, Massachusetts 02048."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.